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A STUDY OF THE
SYSTEM OF PAYMENTS AND RECEIPTS
AT THE TREASURIES

By

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F O R E W O R D

The Administrative Reforms Commission in their Report on "Finance, Accounts and Audit", have made a number of recommendations for streamlining and improving Financial Administration in its various aspects. They have, however, yet to give their recommendations on the Treasury System in India for the transaction of payments and receipts of Government.

At the instance of the Chairman of the Commission, Shri K. Hanumanthaiya, the Indian Institute of Public Administration undertook in December, 1967 a study of the System of Payments and receipts at the treasuries. The focus of the Study has been to investigate the difficulties encountered by a citizen in his dealing with the treasuries for receiving money due from Government or for depositing money in Government Account. The approach in the study has been to find out ways of relieving the citizen of the difficulties and inconveniences faced by him at the treasuries. In the process, a look, necessarily a hurried one, is also cast on the total picture of the Treasury System.

An interim report of the findings of the study was submitted to the A.R.C. in January 1968, for their use. I am glad to say that the study provoked a rethinking of the problem in the Commission. This was followed by the constitution of a Task Force by the Commission for considering the problem afresh and making its recommendations on the subject.

This is the final report of the Institute's study. Dr. M.J.K. Thavaraj and Shri K.L. Handa of the Financial Administration Unit of the Institute, who are responsible for conducting the study, have done some fresh thinking on the problem of government payments and receipts. They have made thirty-six case-studies for the purpose and have held extensive interviews with the officers and staff of the treasuries studied and those of the public involved in these cases. The suggestions for reforms in this sector of financial administration are embodied in this report. It is hoped that the study would be useful to those interested in reform in the field of financial administration and provoke them to reconsider the problem of treasury payments and

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receipts, from what may appear to be a somewhat
unconventional angle.

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SECTION I

A Summary Of The Study

The scope of this study is confined to analysing the procedures and formalities a citizen has to go through from the time his claim for payment is admitted by a government department to the point of his ultimately receiving the money. The study also deals with the procedures for depositing money in Government Account. The objective of the study is to investigate how these transactions of the Government with the public could be conducted with the least inconvenience to the citizen.

The study is based on a survey of twelve treasuries at Delhi, New Delhi (2 treasuries), Gurgaon, Rohtak, Sonapat (sub-treasury), Meerut, Ghaziabad (sub-treasury), Hyderabad, Ibrahimpatam (sub-treasury), Vikarabad (sub-treasury) and Nalgonda where extensive interviews were held both with the officers and staff of the treasuries as well as with those of the public who had come to these treasuries to receive payments. Also, thirty-six cases were picked up at random at these treasuries for study. The case studies have been summarised and included in the last section of this report.

Types of Payments

The following are the various types of payments transacted at the treasuries:

- i) Refund of compensation in the event of acquisition of land,
- ii) Refund of compensation under Land Reforms Act,
- iii) Refund of earnest money,
- iv) Refund of Security Deposits,
- v) Refund of sales tax, property tax etc.,
- vi) Refund of Licence fees,
- vii) Refund of examination fees,
- viii) Refund of stamps,
- ix) Deposit of rent by a tenant and the consequent claim by the landlord for refund,
- x) Refund of maintenance allowance,
- xi) Payments granted by a Court of Law to an injured party out of the fine imposed on the offender,
- xii) Refund of the proceeds of auctioned property,
- xiii) Refund of Court fines,
- xiv) Payment of pensions,
- xv) Payment of scholarships,
- xvi) Grants-in-aid,
- xvii) Payment of interest on Security Bonds,
- xviii) Payment of Interest on Gold Bonds,
- xix) Payment of interest on Government Promissory Notes,
- xx) Payment of instalments of Zaminlari Bonds,
- xxi) Payments for services or supplies received by a Government department,
- xxii) Payment to Government servants -- Pay bills, Travelling allowance bills, Contingent bills, advances from Provident Fund etc.

Payments at the Treasury and
Difficulties of the Citizen.

The person who is to get money from Government is given a refund voucher or a cheque or a bill by the department concerned. He presents this document at the treasury counter where he is given a metallic token or a receipt in lieu thereof and told to come later either on the same day or after a few days which may range upto seven days, to collect the payment order. On his second visit to the treasury on the appointed day, he presents the token or the receipt at the counter and is supposed to get his voucher or the cheque or the bill back from the treasury duly passed for payment. He has then to go to the Reserve Bank or the State Bank branch to get money against the payment order of the treasury.

The payee, if he has an account with a bank, may collect his payment through his banker, in which case he endorses the refund voucher or the cheque or the bill in favour of his bank which goes through the various formalities and collects payment from the treasury.

A citizen is put to a lot of inconveniences and botherations in this process of getting payment from the

treasury. First, he obtains a refund voucher or a cheque or a bill from the department after satisfying them about his identity. Thereafter, he has to travel some distance to present the same at the treasury counter for getting it passed for payment. Here, again he has to produce identification which is often a hard and expensive task for him to manage. The matter does not end there and if there is some objection, even a flimsy one, raised on the bill the payee has to take it back to the department to get the same rectified. He keeps shuttling between the treasury and the department till all the objections raised are settled to the satisfaction of the treasury. After the bill has been passed by the treasury the payee has to go to the bank to collect the money. At the bank again he is required to produce identification which may not be from the same person as produced at the treasury, but from one known to the bank or having account with the bank. Also, in the case of any mistake in the voucher or the bill, the payee has to come back to the treasury to get the same corrected. His difficulties can be well imagined if the distances from the department to the treasury and therefrom to the bank are considerable.

The situation is still worse if the payment is to be obtained from a sub-treasury. In such cases certain items are to be verified both at the sub-treasury, generally situated at Tehsil headquarters, and the main treasury, generally situated at the district headquarters, and the payee may have to make frequent trips to both the places, before he could obtain the payment order.

In those cases where payments are collected through banks, there are quite often technical objections raised by the treasury or the sub-treasury which result in returning the voucher or the cheque or the bill and the consequent delay in payment and also expense to the payee in paying bank's charges.

The Procedure
for Receipts

A citizen has to obtain a chalan from the treasury, fill in the requisite columns and thereafter take it to the department for counter-signature and for their writing the entries relating to (1) the Head of Account and (2) the Accounts Officer against whom adjustable. This chalan is then taken to the bank for depositing money. Where the treasury and the department are situated

at different places, the citizen may get the chalan signed from the Treasury Officer before depositing money in the bank. The citizen is put to a lot of botherations inasmuch as he has to go to a number of agencies before he can actually deposit money in Government Account.

The Union Public Service Commission have introduced an improved system for receipt of their fees from the candidates. The U.P.S.C. accept money only through crossed postal orders which a candidate can obtain from his nearest post office and send them along with his application. This system relieves the candidate of the botherations and inconveniences involved in depositing money through a chalan.

The Various Systems Of Payments

1. The department after admitting the claim of the individual gives him a refund voucher or a cheque or a bill for presenting at the treasury for receiving his payment. The payee may either come to the treasury himself for obtaining payment order on the voucher or the cheque or the bill, as the case may be, or endorse the same to his bank to collect payment on his behalf. This is the system which generally prevails in the case of most of the departments.

2. The department after admitting the claims, prepares a bill, gets it passed from the treasury, draws money and itself takes the responsibility of making disbursement to the claimants. Such a procedure is generally followed by the departments in the case of contingent bills.

3. The departmental officers enjoy cheque drawing powers and operate either under Letter of Credit or through some other arrangements. After the claimant's bill is passed and the payment sanctioned to him, the Drawing and Disbursing Officer issues a cheque in his favour, which can be encashed at the bank without going through the channel of the treasury. This system obtains in the Central Public Works Department, the Administrative Reforms Commission, the All India Radio, the Forest Department, the Union Public Service Commission except in the case of refund of fees. These payments enter the treasury records after the encashment of the cheques and on intimation from the bank.

4. There is another system of payment which is being followed by the Union Public Service Commission in the cases of refund of fees. After the claim has been accepted and the refund sanctioned, the Commission office

itself fills in a money order form addressed to the claimant and sends it to the treasury which after passing the same remits the amount to the payee direct by transfer credit through the Post Office.

5. The accounting functions are completely departmentalised and the payments are made direct by the Pay & Accounts Office attached to the Department, by issuing cheques or bank drafts on the Reserve Bank of India or the State Bank of India. Under this system the payments made do not enter the treasury records. This system has been introduced, since 1st April 1955 in the Departments of Food, Rehabilitation and Supply and, since 1st October 1955 in the Rajya Sabha and Lok Sabha secretariats.

A number of reforms have been suggested to deal with the problems of payments. The first runs in terms of strengthening the treasury system, simplifying and streamlining its procedures and improving its management and supervision. Strengthening the existing system would involve a substantial increase in the operating expenses on account of: (i) increasing the number of the treasury staff, (ii) upgrading a part of the strength, (iii) providing facilities for their training, (iv) introducing better personnel policies and providing adequate avenues of promotion for the staff, (v) improving the filing

and record keeping facilities, (vi) establishing a Directorate of Treasuries for the supervision and inspection of the treasuries, (vii) improving public conveniences etc. But despite all this strengthening, the continued intervention of the treasury before a payment is made to the citizen would not relieve him of his inconveniences and botherations inherent in the present system such as the number of trips a citizen has to make to the department, the sub-treasury or the district treasury or both, as the case may be, in order to rectify the objections raised. Also, responsibility cannot be pinpointed in the event of delay or harassment of the citizen ~~when~~ two or three different organisations are involved in making a payment etc.

Another reform suggested in the system of payment is under which the departmental officers enjoy cheque drawing powers and the departments are placed directly in account with the bank. This system of payments relieves the citizen of most of his inconveniences and botherations in so far as it eliminates treasury intervention before a payment is made to him. The extension of this system to the various departments would, however, involve additional costs inasmuch as the departments

would need to have extra staff for the purpose without any saving of manpower employed in treasuries and Accountants General's offices.

The Proposed System of
Direct Payments and Receipts

After considering the various proposals, it is concluded that if a citizen is to be relieved of his botherations and inconveniences in the matter of receiving money from Government or depositing money in Government Account, it is necessary that one organisation alone is made entirely responsible for making payments to or receiving payments from him. Under this system the payments and receipts are to be transacted by the department concerned which assumes full responsibility for the same. Once the claim of an individual is admitted by the department, the payment should be made to him by the disbursing officer straightaway. If it is a small amount, say upto Rs. 100/- or some other suitable figure, the payment should be made across the counter and the departments may be provided with adequate imprest for the purpose. For amounts beyond this limit, the individual may be paid through cheques or bank drafts (crossed or Account payee). In case the individual concerned

does not want to come to the office to collect his payment, he should have the option to receive the same through money order at Government cost if it is a small amount or through cheque or bank draft sent to him through registered post, if the amount involved is big enough. In those cases where the payee is not located within a reasonable distance from the bank, arrangements may be worked out for reaching payment to him through the post office. Similarly, in the case of receipts the department should make arrangements to accept a deposit in the office itself if it is in cash and the amount involved is a small one, say Rs. 100/- (or some other suitable figure), or if the payment is made through postal orders or a cheque or a bank draft. The department may fix time limit for the receipt of daily payments and may deposit its daily receipts in the bank through its own arrangements without making the citizen to run about. It should be only in exceptional cases, where it is not possible to receive payment in the office that a citizen is handed over a chalan prepared by the department and he goes to deposit money in the bank.

Findings of the Study
and Our Views

1. The thirty-six cases studies at the twelve treasuries reveal that it would not be possible to perceptibly relieve the citizen of his botherations and inconveniences if he continues to get his payment by having to appear at a number of agencies -- the department, the treasury (sometimes also the sub-treasury) and the bank.

2. Even if it is decided that the citizen would not appear at all the agencies and the department or the treasury is made responsible for getting all the formalities completed before the citizen is called to receive his payment, this may perhaps look all right in theory, but as the practice has revealed, when a document for payment is dealt within two separate agencies, i.e. the department and the treasuries, there is bound to be a tossing of the same between the two offices for various clarifications and settling of objections, and the consequent delay would push the citizen to frequent both the places to expedite matters.

3. It has therefore been concluded that if the citizen is to be relieved of his botherations and inconveniences, it would be the department concerned which should assume full responsibility for making payments to him without the intervention of the treasury. All the formalities of accounts necessary to be completed before making a payment would have to be gone through within the department itself. In such a case, when there is only one organisation involved before a payment is made to the citizen, procedures and work methods can be streamlined to ensure prompt payments and to fix responsibility in the event of delay or any harassment of the citizen. Whatever checks are necessary to ensure regularity and propriety of payments can be arranged through internal auditors functioning within the departments. Similarly, accounting of receipts can also be made the responsibility of the department concerned.

4. This departmentalisation of payments and receipts function would make the institution of treasuries redundant. The remaining functions of the treasuries can be safely transferred to some existing agencies and the treasuries as such may be abolished.

5. Our present accounting structure and organisation may have to be changed to fit into the needs of the reorganised system. This may lead to separation of Accounts from Audit and utilizing the bulk of trained manpower from treasuries and accounts offices for strengthening the accounting organisations of the departments.

6. We may also view the system of direct payments and receipts from a broader perspective of the needs of development administration, where accounting information should subserve the management in accomplishing its programme objectives. The departmentalisation of accounts would result in an additional advantage of ensuring speed in the collection of accounts data and compilation of departmental accounts to make for prompt availability to the management of the accounting information so very much needed in its successful functioning.

7. Such a reformed system in which departments are assisted by expert and competent accounting organisations would also suit the pre-requisites for introducing performance budgeting in the departments.

8. There is a lot of avoidable duplication in the accounts work being done in the departments, in the

treasuries and in the Accountant General's office.

The departmentalisation of payments and receipt function and the internalisation of accounts would remove such a duplication of work.

9. The financial implications of the suggested measures can be empirically verified. But, with a bulk of trained accounting personnel becoming available on the abolition of the treasuries and on the separation of Accounts from Audit, who can be with advantage transferred to the departments, it may not result in that increase in the total cost as is generally made out.

10. If possible and desirable, mechanisation and computerisation may be introduced in the major departments, which would result in a net saving of personnel and cost.

11. The non-banking treasuries and sub-treasuries may continue transacting cash business for the various disbursing officers stationed in their areas till such time as the State Bank of India is in a position to extend its branches to such places. But these non-banking treasuries and sub-treasuries may not be required to prepare the initial accounts, which should become the responsibility of the departmental officers.

12. It would be an uneconomical and costly proposition to have only non-banking treasuries and sub-treasuries in the country for the money payments and receipts of Government to be handled at the treasury itself without the citizen having to go to another office, namely the bank, for the purpose of collecting or depositing cash.

SECTION II

THE STUDY

This study attempts to review some of the procedures at the treasury in its transactions with the public. In particular, it focuses attention on the difficulties a citizen faces in getting payments due to him from Government and in depositing money with the Government. Our objective is to investigate how these transactions of the Government with the public could be conducted with the least inconvenience to the citizen.

The scope of the study is confined to analysing the procedures and formalities a citizen has to go through from the time his claim for payment is admitted by a Government department to the point of his ultimately receiving the money. The study also deals with the procedures for depositing money in Government Account. This study is based on a survey of the following twelve treasuries, where thirty-six cases were picked up at random and thoroughly studied and also extensive interviews were held with the officers and staff of the treasuries and those of the public who had come there to receive payments:

1. Delhi Treasury, Tia Hazari
2. New Delhi Treasury, Parliament Street
3. New Delhi Treasury, Man Singh Road
4. District Treasury at Gurgaon (Haryana)
5. District Treasury at Rohtak (Haryana)
6. Sub-treasury at Sonapat (Rohtak-Haryana)
7. District Treasury at Meerut (Uttar Pradesh)
8. Sub-treasury at Ghaziabad (Meerut-Uttar Pradesh)
9. District Treasury at Hyderabad (Andhra Pradesh)
10. Sub-treasury at Ibrahimpatam (Hyderabad - A.P.)
11. Sub-treasury at Vikarabad (Hyderabad - A.P.)
12. District Treasury at Nalgonda (Andhra Pradesh).

A summary of the case studies conducted at these treasuries has also been prepared and included in the last section of this report.

Types of Payments

The following are the various types of payments transacted at the treasuries:

1. Refund of compensation in the event of acquisition of land,
2. Refund of compensation under Land Reforms Act,
3. Refund of earnest money,
4. Refund of security deposits,
5. Refund of sales tax, property tax etc.,
6. Refund of licence fees,
7. Refund of examination fees,
8. Refund of stamps,

9. Deposit of rent by a tenant and the consequent claim by the landlord for refund,
10. Refund of maintenance allowance,
11. Payments granted by a Court of Law to an injured party out of the fine imposed on the offender,
12. Refund of proceeds of auctioned property,
13. Refund of court fines,
14. Payment of pensions,
15. Payment of Scholarships,
16. Grants-in-aid,
17. Payment of interest on Security Bonds,
18. Payment of Interest on Gold Bonds,
19. Payment of interest on Government Promissory Notes,
20. Payment of instalments of Zamindari Bonds,
21. Payments for services or supplies received by a government department,
22. Payment to Government servants -- pay bills, travelling allowance bills, contingent bills, advances from provident fund etc.

Payments at the Treasuries and
Difficulties of the Citizen

A citizen has to go through a number of channels to receive payment after his claim has been accepted and payment sanctioned to him by the concerned

government department. Generally, a government department after admitting the claim of an individual gives him a refund voucher or a cheque or a bill for presenting at the treasury for receiving his payment. The payee may either come to the treasury himself for obtaining payment order on the voucher or the cheque or the bill, as the case may ^{be} or endorse the same to his bank for collecting payment on his behalf. If he does not have a bank account and comes to the treasury himself, he presents his voucher or the cheque or the bill at the counter and is given a metallic token or a receipt in lieu thereof and told to come later either on the same day or after a few days which may range upto seven days, to collect the payment order. Before getting back the passed voucher or cheque or bill from the treasury, he is required to produce an identification in a prescribed form from persons known to the treasury or whose signatures are available with the treasury.* On his second visit to the treasury on

* We observed an improvement in the procedures followed by the treasuries in Andhra Pradesh regarding identification of the payee. In Andhra Pradesh, the Drawing and Disbursing Officer of the department attests the signatures of the payee on the bill before handing over the same to him for presentation at the treasury counter. At the treasury, the signatures of the payee are tallied with those as countersigned by the departmental officer. The citizen is thus relieved of the botheration of

(... foot-note contd in P. 21)

the appointed day, he presents the token or the receipt at the counter and is supposed to get his voucher or the cheque or the bill back from the treasury, duly passed for payment. He has then to go to the Reserve Bank or the State Bank branch for getting money against the payment order of the treasury. Here again he is required to produce identification from a person known to the Bank or having account with the Bank. If the payee has a bank account and endorses the voucher or the cheque or the bill to his bank, his banker goes through the various formalities necessary for getting payment from the treasury.

In the case of payments at the sub-treasuries, the procedure is further circuitous. If the citizen has brought a refund voucher, it has to be verified at both the sub-treasury and the district treasury before payment order could be issued in his favour. After getting the credit item in the refund voucher verified at the sub-

(foot-note from pre-page (20))

producing a witness in support of his identification. Such a procedure would, however, not be workable where the payee can put his thumb impression only and in which case he has to produce a witness in lieu of his identification before receiving the bill back from the treasury duly passed for payment. We did not come across a case, during our survey, where such a situation had arisen and were also told that the number of such cases was fast diminishing and generally a payee would know to put his signatures at least.

treasury, the citizen travels all the way to the district treasury for their verification of the credit and it is only after that that the voucher is passed for payment and he becomes entitled to receive money from the bank either at the district head-quarters under orders from the district treasury or/ ^{at} the tehsil head-quarters under orders from the sub-treasury.*

A citizen is put to a lot of botherations and inconveniences, as revealed by the case-studies, in the process of getting payment from the treasury. Apart from waiting for long hours at places where not much attention is paid to public conveniences, he finds the necessary formalities too hard to fulfil. Producing the necessary identification is tough and sometimes expensive. There are quite a few cases, where for small payments the citizen

* Again, in the Andhra Pradesh treasury procedures we observed an improvement in the processing of cases pertaining to refunds initiated at sub-treasuries. Whereas in Haryana and Uttar Pradesh, before a refund voucher is passed for payment by the sub-treasury the credit figure is required to be verified both from the sub-treasury records as well as by the district treasury, in Andhra Pradesh the verification of the original deposit is done by the sub-treasury only and the citizen has not to go to the district treasury for a further verification.

finds it difficult to manage the necessary identification and leaves the refund papers with the treasury in sheer frustration never to turn up again in pursuit of his claim. If he has somehow completed all the formalities and comes back to the treasury counter after the prescribed period to collect the payment order, he may find his refund voucher returned to him with some objections to be got cleared from the department concerned which had issued the refund voucher and the whole channel has to be gone through over again by him. He keeps shuttling between the treasury and the department till all the objections raised are settled to the satisfaction of the treasury. It is but likely that when a document for payment is processed in two different organisations there are chances of mistakes creeping in and for every error of a government office the citizen would have to suffer and move from one Office to another to get the same rectified. Also, under such a situation, it becomes difficult to pinpoint responsibility for the delay in payment. After the bill or the voucher has been passed by the treasury the payee has to collect payment from the bank. In the case of any mistake in recording the payment order, the payee would have to come back from the bank to the treasury to get the

same corrected. The difficulties of a citizen can be well imagined if the three agencies, namely, the department, the treasury and the bank are situated at considerable distances from one another and he has to run from the department to the treasury and therefrom to the bank and sometimes in the reverse direction also. It may be noted that the citizen has to encounter the same procedures and formalities whatever be the amount of payment. As per Treasury rules, deposits of more than one rupee remaining unclaimed for three years lapse to the Government. A person claiming refund against such deposits has to go through another channel which involves Accountant General's sanction before his claim for payment is passed. Collecting payments through banks is also not free from irritations as quite often the voucher or the cheque comes back to the payee with some objections like, (i) payee has not endorsed the bill in favour of the bank, (ii) payee's signatures have not been confirmed by the bank, (iii) bank has not given certificate that payee's account will be credited on realisation etc. Also, if some mistake has been committed by the issuing department in preparing the refund voucher or the cheque, the same is returned to the bank and therefrom to the payee with an objection to be got

cleared from the department. All this leads to delays in receiving payments and also everytime a voucher or a cheque is returned by the treasury, the bank would recover its charges from the payee.

The plight of a citizen is still worse in getting his refund voucher passed by a sub-treasury. In such a case verification of the credit item has to be done at both the sub-treasury and the district treasury and in the event of any discrepancy in the particulars recorded at the two treasuries, the payee has to be moving from sub-treasury office to the district treasury office and also in the reverse direction to get the particulars reconciled before the voucher could be passed for payment. These discrepancies may arise because of various reasons, such as, difference in the recorded dates of the credit or difference in the recorded amounts of the credit. Such discrepancies may occur between the records of the department and the sub-treasury or between the records of the sub-treasury and the district treasury and for every mistake of any of these government agencies the citizen has to suffer and spend money in travelling long distances from one office to another to settle the objections.

The Procedure
For Receipts

Depositing money in Government account is also a cumbersome process. The citizen collects a chalan from the treasury, fills in the requisite columns and waits at the doors of the concerned officer in the Department who would then fill in the remaining two columns, (i) relating to the Head of Account, and (ii) Accounts Officer by whom adjustable. After the chalan has been signed by the departmental officer, the concerned individual has to go to the bank to deposit the amount. Where the Treasury and the Department are situated at different places, the citizen may get the chalan signed by the Treasury Officer before depositing money in the bank. The citizen is put to a lot of inconvenience inasmuch as he has to visit a number of agencies before he can actually deposit money in Government account.

In Andhra Pradesh, we observed a system under which a treasury clerk is posted at the Bank counter to carry out the necessary scrutiny of the chalans brought by the citizens for depositing money in Government account. This is a good improvement introduced and saves the citizen of botherations in going to the treasury for getting the chalan counter-signed before depositing money in the bank.

The Union Public Service Commission have introduced an improved system for the receipt of their fees from the candidates. The U.P.S.C. accept money through crossed postal orders which a candidate can obtain from his nearest post office and send them alongwith his application. This system relieves the candidate of the botheration involved in depositing money through a chalan.

The Various Systems Of Payment

A number of reforms have been suggested to deal with the problem of payments. The first runs in terms of strengthening the treasury system, simplifying and streamlining its procedures and improving its management and supervision. Another reform suggested in the system of payment is under which the departmental officers enjoy cheque drawing powers and the departments are placed directly in account with the bank. After the claimant's bill is passed and the payment sanctioned to him, the drawing and disbursing officer issues a cheque in his favour, which can be encashed straight at the bank without going through the channel of the treasury. This system obtains in the Central Public Works Department, the All India Radio, the Forest Department, the Administrative

Reforms Commission and the Union Public Service Commission except in the case of refund of fees. The third system is under which the accounting functions are completely departmentalised and the payments are made direct by the Pay & Accounts Officer attached to the Department, by issuing cheques or bank drafts on the Reserve Bank of India or the State Bank of India. The payments made under this system do not enter the treasury records and the department itself maintains and compiles its accounts. This system has been introduced since 1st April 1955, in the Departments of Food, Rehabilitation and Supply and since 1st October 1955, in the Rajya Sabha and Lok Sabha Secretariats.

In this study our attempt has been to examine the present procedures for payments and receipts at the treasuries with a view to formulate a system which would alleviate the enormous difficulties and inconveniences experienced by the public under the existing arrangements while at the same time ensure speedy and accurate transmission of accounting information to appropriate levels of financial and programme management in order to promote efficiency at least cost. In this effort we do not start with the assumption that the existing institutional

arrangements have outlived their utility. Nor do we believe that a particular type of organisational structure or method of operation is sanctified for all times and all situations. It has been our endeavour to be open minded enough to accept the need for building anew if patchworks would not serve our objectives. This is especially so in the context of the dynamics of development administration. It is with these guidelines in mind that we have examined the three alternative ways of reforming the system of treasury payments and receipts.

Strengthening the Existing System
of Payments and Receipts

We find that a bulk of the personnel who man the treasuries belong to the lower clerical cadres. The Treasury Officers complain that the treasuries are badly understaffed in the face of ever increasing volume of transactions. Facilities for the maintenance of files and records are extremely poor. Public conveniences are awfully deplorable. The procedures for dealing with cases are laborious and time consuming. Strengthening the existing system would involve a substantial increase in the operating expenses on account of:

- i) increasing the number of the treasury staff,
- ii) upgrading a part of the strength,
- iii) providing facilities for their training,
- iv) introducing better personnel policies and providing adequate avenues of promotion for the staff,
- v) improving the filing and record keeping facilities,
- vi) establishing a Directorate of Treasuries (where not in existence) for the supervision and inspection of the treasuries,
- vii) improving public conveniences etc.

In addition, streamlining the procedures and methods of work through ^{work} studies, simplification of forms, improvement of the system of guard files etc., would involve some initial expenditure. As a result of all these measures, treasury transactions may be somewhat expedited. But despite all this strengthening, the continued intervention of the treasury before a payment is made to the citizen would not relieve him of his inconveniences and botherations inherent in the present system, such as:

1. the number of trips a citizen has to make to the department, the sub-treasury or the district treasury or both, as the case may be, in order to rectify the objections raised;
2. the problem of identification at the treasury;
3. responsibility can not be pinpointed in the event of delay or harassment of the citizen when two or three different organisations are involved in making a payment etc.

Suggestions for improvements in terms of structural reforms are, therefore, not likely to relieve the public of their inconveniences while at the same time involve substantial increase in the cost of operations and management of the treasuries. A perusal of the thirty-six case studies of payments at the twelve treasuries indicates that intervention of treasuries before a payment is made to an individual is bound to create difficulties for the payee and reforms within the existing framework would be only tinkering with the problem without completely solving it. The cases mentioned were picked up at random and, to our surprise, in almost all of them the payee received his payment with considerable botheration and inconvenience to him.

There is another suggestion made that such changes may be introduced in the present system of payment that the citizen would not have to appear at a number of agencies for getting the payment due to him and the department concerned or the treasury is made responsible for getting all the formalities completed before the citizen is called upon to receive his payment and he is handed over a cheque or a bank draft or money in cash, as the circumstances may permit. This may

perhaps look all right in theory; but as the practice has revealed, when a document for payment is dealt within two separate organisations i.e. the department and the treasury, the procedures involved lead to considerable delays. It would be difficult to ensure that a bill or a voucher or a cheque presented at the treasury even by the department itself is passed without delay. At the treasury, certain checks have to be carried out according to prescribed rules and there is every likelihood that objections would be raised on such a document necessitating tossing of the same between the department and the treasury for various clarifications and settling of objections. Such a system would lead to considerable delays in the payment and the consequent hardships to the citizen. Also, under such procedures, it would not be workable to lay down time limits for the making of payments or to fix responsibility in the event of delays. The citizen, under such circumstances, is pushed to making trips to both the offices, namely, the department concerned and the treasury to expedite matters, which involves considerable inconveniences and botherations to him.

Cheque Drawing Powers
With The Departments

Under this system, the citizen receives payments directly from the departments which are vested with cheque drawing powers. The cheques after encashment at the bank come to the treasury where preliminary accounts are compiled for onward transmission to the Accountant General's office. Under the system, three sets of accounts are prepared, i.e., one by the department concerned, another by the treasuries and the third by the Accountant General. This system of payments relieves the citizen of a lot of inconveniences and botherations in so far as it eliminates treasury intervention before a payment is made to him. The extension of this system to the various departments would, however, involve the following costs:

1. departments vested with cheque drawing powers would need some strengthening of their accounting facilities,
2. internal audit arrangements may also have to be created for purposes of pre-audit,
3. in so far as the treasuries continue to be maintained for the initial compilation of accounts for onward transmission to the Accountant General, there would not be any saving on that account. On the other hand, any attempt to streamline the treasuries might as well involve some additional costs,

4. also, the full contingent of staff is continued to be maintained in the Accountant General's office for compiling the accounts of the departments concerned.

Thus, the system of cheque drawing powers with the departments while alleviating a great deal of inconveniences and botherations to the citizen in receiving payments from Government, would at the same time involve additional costs to the Exchequer.

The Proposed System of Direct Payments and Receipts

After considering the various proposals, it is concluded that if a citizen is to be relieved of his botherations and inconveniences in the matter of receiving money from Government or depositing money in Government Account, it is necessary that one organisation alone is made entirely responsible for making payments to or receiving payments from him. It is also necessary that all the accounting formalities are carried out and completed within the same organisation before a payment is made. Under such a system, where only one organisation is involved before a payment is made to the citizen, procedures and work methods in the organisation can be streamlined to ensure prompt payments and it becomes workable to set time limits for the payments, evolve

checks to detect cases of delays, fix responsibility for the delay or any harassment of the citizen and to deal with the defaulting government servant suitably. Obviously, these functions can be centralised only in the department concerned which has to initially admit the claim of the citizen and to sanction payment. Whatever checks are necessary to ensure regularity and propriety of payments, before they are transacted, can be arranged within the department through internal auditors.

Under this system, the payments and receipts are to be transacted by the department concerned which assumes full responsibility for the same and also maintains and compiles its accounts. Once the claim of an individual is admitted by the department, the payment should be made to him by the disbursing officer straight-away. If it is a small amount, say upto Rs. 100/- or some other suitable figure, the payment should be made to him across the counter, for which purpose the departments could be provided with adequate imprest. For amounts beyond this limit, the individual may be paid through cheques or bank drafts (crossed or account payee). In case the individual concerned does not want to come to the departmental office to collect his payment,

he should have the option to receive his payment through money order at government expense if it is a small amount, or through cheque or bank draft sent to him through registered post if the amount involved is big enough. In those cases where the payee is not located within a reasonable distance from the bank, arrangement may be worked out for reaching payment to him through the Post Office.

The difficulties faced by a citizen in the matter of establishing his identity are bound to be considerably minimised when payments are made direct by the departments. In such cases a large majority of the payees would be known to the departmental officers because of their frequent visits to the department and occasional contacts with the concerned officials. In the case of such payments which they would be receiving in person at the bank, arrangements may be devised whereby the payee's signatures are countersigned by the disbursing officer whose signatures in turn are made available to the bank.

In the case of receipts, similarly, the department should make arrangements to accept a deposit in the office itself if it is in cash and the

amount involved is a small one, say Rs. 100/- (or some other suitable figure), or if the payment is made through postal orders or a cheque or a bank draft. The department may fix time limit for the receipt of daily payments and may deposit its daily receipts in the bank through its own arrangements without making the citizen to run about. It should only be in exceptional cases where it is just not possible to receive payment in the office that a citizen is handed over a chalan prepared by the department and he goes to deposit money in the bank.

In the absence of a well-developed network of communications or of State Bank branches extended throughout the country, there might be some difficulties in remitting payments to those of the small units of the departments which are functioning in far off areas where even the Post Office would take considerable time to reach them by Money Orders. The difficulties, however, should not be taken as insurmountable and steps may be taken to meet this problem. Till such time as adequate measures are evolved, the headquarters organisation or the regional offices of the department, in such cases, would have to do advance planning in sending payments to such units so that they receive the same in time.

Similarly, in the case of some items of receipts like those of courts and of such small offices in the districts as cannot afford to have accounting cells of their own, some arrangements may be evolved to cater to their needs.

A Review Of The Treasury System

The treasury system was evolved when the Government had comparatively limited objectives and a small number of activities and the banking facilities had not been developed in the country. The main functions of the treasuries are to make payments to and to receive on behalf of Government departments, payments due to them and to prepare and submit to the Accountant General preliminary accounts of these transactions. In addition, the treasuries undertake sale of judicial and other stamps, sale of opium, maintenance of double lock for the safe custody of government property and confiscated articles etc.

As regards payments to and receipts from the Government, we have observed that the public are subjected to a lot of inconveniences and botherations, when such transactions are carried through the channel

of the treasury. In our view, the difficulties of the public arising from treasury intervention in these transactions far outweigh the compilation of accounts and other advantages claimed in its favour. We have therefore recommended relieving the treasuries of their functions of payments and receipts and vesting the same completely in the departments (except the payment of pensions).

An important payment being made at the treasuries, at present, is that of pensions which task cannot be assigned to individual departments because the pensioners are scattered all over the country and the payments have to be made to them from places or agencies situated nearby. There is not much of a difficulty to those who receive their pension payments through their banks. Some of the pensioners receive their pensions through money orders at their own cost. Even in the case of those who appear at the treasury in person, there are no serious difficulties in receiving pension payments except that in good many cases a pensioner has to travel long distances, sometimes extending to 40 miles, to reach the treasury or the sub-treasury. Also, in the case of banking treasuries where he collects cash from the bank on payment order obtained from the treasury, if by any

chance he is late in receiving the payment order from the treasury and cannot make it possible to reach the bank before its closing time, his pension payment is postponed to the next working day, putting him to a lot of botherations and hardships especially if he has come from a long distance. Though some improvements could be suggested in the system of payments of pensions at the treasuries, we have looked at the problem from a different angle. The question arises as to whether it would be justifiable to retain a vast network of treasuries after their main functions of transacting payments and receipts of government and preparing preliminary accounts of these transactions for onward transmission to the Accountant General are taken away. The other functions which will be left with the treasuries are, payment of pensions, sale of judicial and other stamps, sale of opium and maintenance of double lock for safe custody of Government property and confiscated articles etc. Our suggestion is that it would not be necessary to incur a huge expenditure in retaining the treasuries and their other functions can safely be transferred to some existing agencies.

In the event of the abolition of treasuries, the function of payment of pensions will have to be assigned to some other agency. Even at present there is an option for the pensioners to receive their pension payments through money orders at their own cost if the amount of pension does not exceed a specified limit. They can also draw their pensions through their bankers if they have accounts with banks. These options may continue after the abolition of the treasuries. To encourage pensioners to receive their pension payments through money orders, the postal charges for money orders should be paid by the Government and not recovered from the pensioners. However, in this case a few days would elapse between the due date of pension payment and the day the pensioner actually receives the money order. Our survey has revealed that a large number of pensioners are keen to receive their pensions on the due date. For such cases, it may be considered that a Saving Bank Account is opened in each of the pensioners name in a post office of his choice and arrangements are evolved whereby his pension payment is credited to his account on the due date and he can draw money either on the same day or on any subsequent

day at his discretion. It has been pointed out to us that for this purpose the post offices would have to keep enough cash with them. We do not think it should pose insurmountable difficulties as Government policy is to promote people's opening savings bank accounts with the post offices and such a measure would be in conformity with that policy. Moreover, under such a system the pensioners would be widely dispersed amongst a large number of post offices and the work load at any one post office should not become heavy. An added advantage would be that pensioners would not have to travel long distances to get their pension payments as post offices are available to most of them at much shorter distances than is the case with the treasuries.*

The other functions of the treasuries could also be transferred to some existing agencies. The sale of stamps can be entrusted to the Post Office and some suitable arrangement may also be made for the sale of

* At present there are about 1,02,500 post offices in the country, out of which about 80,800 do savings bank work. The information collected by us from the Union Ministry of Finance places the number of treasuries and sub-treasuries in the country at 2136 as on 31st March 1966.

judicial stamps. The sale of opium can be transferred to the Excise Department. It may be stated here that in the Telengana districts of Andhra Pradesh, Superintendents of Excise hold charge of opium sale and the treasuries have been relieved of this function.

Suitable arrangements can also be made for maintaining double lock for the safe custody of government property and confiscated articles etc.

According to our suggestion the treasuries should be abolished* resulting in considerable saving in expenditure as well as manpower.

Some Connected Issues

In the scheme of changes we have suggested, the receipts and payments function is completely departmentalised and the treasuries are abolished. Such a step would necessitate separation of Accounts from Audit and vesting of the entire accounting function in the administrative departments which become responsible for maintaining and compiling their accounts.

The question arises as to which office compiles the monthly and annual accounts of the Government as a whole, a function which at present is being performed by the Accountant General who is supplied preliminary accounts

* It may be mentioned that the abolition of treasuries was also recommended by the Estimates Committee of the First Lok Sabha in their Ninth Report, 1953-54, on 'Administrative, Financial and Other Reforms', Page 28, para 36 (v), May 1954.

data by the treasuries. We think that there should not be any difficulty if the Accountant General continues to be assigned the task of final consolidation of monthly and annual accounts for the government as a whole from the compiled departmental accounts prepared by the various departments. Such a course would relieve the Accountant General's office of considerable work which it is at present doing in preparing the departmental accounts from the preliminary data supplied by the treasuries.

It has been pointed out by some that the preparation of initial accounts by a large number of ^{drawing and} disbursing officers would lead to delay and inaccuracies in the compilation of monthly accounts of the departments and is bound to affect the speed and accuracy of final accounts to be compiled by the central agency. We, however, do not agree with this view. Under the system suggested by us, we do not envisage any increase in the number of points where disbursements are being made at present, nor do we propose any addition to the number of stages through which accounts information passes for compilation of monthly accounts of the departments.

According to the proposed system, the statements of accounts are to be transmitted from the disbursement points direct to a central point in the department concerned where monthly accounts for the department may be compiled. We do not think that such a system would make for delays or inaccuracies in the compilation of monthly accounts of the departments; rather we are firmly of the opinion that opposite results could be expected with the departments being strengthened with well-equipped and efficient accounting organisations. There should consequently be no delay or fear of inaccuracies in the compilation of accounts of the Government by a central agency.

It has also been made out that separation of Accounts from Audit would mean tremendous cost in equipping the administrative departments with the necessary accounting organisations. In other words, departmentalisation of payments and receipts functions would, according to some, mean tremendous increase in the net cost of operations. We do not agree with this view. Though these questions of additional cost may be subjected to empirical verification, we have looked at the total picture in the following manner and

feel that the net result of our package of recommendations would not result in such a magnitude of net additional cost to the Exchequer as is made out. It would, of course, mean more cost for the departments if they completely take up the payments and receipts function from the treasuries as well as the task of compiling and maintaining their accounts. We consider that a portion of this cost would be absorbed in the cost which has already been decided to be incurred in strengthening the accounts organisations of the departments for various other purposes. Against the net additional cost, we have considered the following savings. Firstly, we have considered the saving to be effected on the abolition of the treasuries as also the saving in recurring and non-recurring expenditure proposed to be incurred in improving this institution by measures like better staffing, arrangements for the training of the employees, introducing improved personnel policies, creating an organisation for the inspection and supervision of treasuries like the Directorate of Treasuries and otherwise better equipping the treasuries for their various functions. Secondly, we have considered the saving to be effected in the Accountants General's

offices when a big chunk of their staff is transferred to the departments consequent on the transference of accounts component of Accountants General's functions to the departments.

We may also view the system of direct payments and receipts from a broader perspective of the needs of development administration, where accounting information should subserve the management in accomplishing its programme objectives. In this connection, we may quote the following from the Report of the Study Team on Financial Administration* set up by the Administrative Reforms Commission:

"We have referred to the difficulties experienced by the administrative Ministries in watching the progress of expenditure and have also suggested what steps should, in our opinion, be taken to remove the difficulties. The real solution, in our view, would lie in transferring the responsibility for the maintenance of accounts to the administrative Ministries or Departments concerned. The departmentalisation of accounts and the delegation of financial powers to the administrative ministries are two facets of the same process of transferring the entire responsibility of financial management and administration to the administrative Ministries."

* Administrative Reforms Commission, Report of the Study Team on Financial Administration, Vol. I, May 1967, P. 71, para 10.8.

The departmentalisation of accounts would therefore result in an additional advantage of ensuring speed in the collection of accounts data and compilation of departmental accounts and of making accounting subserves the needs of management. If accounting facilities in the administrative departments are sought to be strengthened without relieving the Comptroller and Auditor General's Organisation of their function of compiling and maintaining the departmental accounts and without the consequent transfer of a big chunk of manpower from his Organisation to the administrative departments, it may very well result in an enormous increase in the draft of accounting personnel. But if the treasury system is completely done away with and a big proportion of the accounting work of the Comptroller and Auditor General's Organisation is transferred to the administrative departments, there may result enough saving in manpower to strengthen the accounting facilities in the administrative agencies.

Moreover, there is a strong thinking in
favour of introducing Performance Budgeting/ ^{in the departments*} and equipping

* The Administrative Reforms Commission in their Report on 'Finance, Accounts and Audit' (January 1968) have recommended introduction of Performance Budgets in the departments and organisations in direct charge of development programmes. The Government of India have already accepted the Commission's recommendation and have made a start by preparing Performance Budgets in the departments.

them with the necessary accounting organisations suitably strengthened for collection and processing of data for performance analysis and reporting. If the accounting organisations to be made available to the departments are proposed to be of such a high pitch of efficiency and versatility that Performance Budgets are worked successfully, we do not think there would be much difficulty in gearing the departmental accounting organisations to the task of compiling their accounts for onward transmission to the Central Accounting agency where final consolidation may be done. If alongside it is found possible and desirable to introduce mechanisation or computerisation in the Central accounting offices of the various departments and in the Central Accounting agency where final consolidation of accounts for the whole government is done, it may as well result in substantial saving in manpower.

Some Questions
Answered

There are two opposite views held on the question of departmentalisation of payments and receipts function. One view is that such a change would lead to misappropriation of funds in the departments. There is however

another view according to which there should be nothing so much to fear about such a change. The case of those departments where the accounting function has been departmentalised and is being operated successfully such as the Railways, Food, Rehabilitation and Supplies, Lok Sabha, Rajya Sabha is cited to allay such fears. In Andhra Pradesh, we came across the example of Fertilizer Accounts which are maintained by the Director of Agriculture and oper^{ated}/ directly on the bank by him independent of the treasury. The Director of Agriculture is also responsible for the compilation of his accounts. The payment function is being managed by him smoothly and there is no serious case of misappropriation of funds having come to light. We also observed, during our survey of Andhra Pradesh, that the receipts of sales tax and the refunds therefrom were being managed directly by the Department concerned without the intervention of the treasury. Also, the receipts of Motor Vehicle Taxation are being handled directly by the concerned department without much difficulty. The Civil and Criminal Courts also arrange refunds to the citizens, wherever due (except refunds from the revenue account) by themselves issuing cheques directly on the bank.

We are, therefore, of the opinion that the departmentalisation of payments and receipts function would not present any serious problems. Whatever checks are necessary to ensure regularity and propriety of payments before they are transacted, can be arranged within the department through internal auditors. Also, the regularity and propriety of the financial transactions handled by the departments would be open to post-audit by the independent authority of the Comptroller and Auditor General. In the course of our survey, the examination of some of the bills coming to the treasury from the departments for payment order revealed that a good amount of accounts work is already being done by the departments in classifying the expenditure items into Major, Minor and detailed heads and in completing the various other accounts formalities. Some accounts work is again done in the treasuries which supply preliminary accounts data to the Accountant General's office where audit and compilation of accounts is carried out.

Our finding is that there is a lot of avoidable duplication in the accounts work being done in the departments, in the treasuries and in the Accountant General's office.

The departmentalisation of payment and receipt function and the internalisation of accounts would remove such a duplication of work. Though it would mean

some increase in the number of accounts personnel needed in the departments, it should also result in a sizeable saving in terms of money and personnel both in the treasuries and in the Accountant General's Office.

Another point of criticism against our suggestions seems to be on the grounds that ours is a vast country with innumerable places where disbursements have to be made and people have not yet fully developed banking habits and there is a widespread illiteracy amongst them. We first take up the case of transactions at the banking treasuries. It may be mentioned that the State Bank of India has already established its branches at most of the district towns and at a good number of sub-divisional or tehsil headquarters in the country and is in the process of extending its branch network to the remaining places. In the case of banking treasuries and sub-treasuries, the objection cited is not relevant, because even at present the citizen after having his document processed at the treasury receives his payment from the

bank.* Under the system proposed by us, an additional channel of the treasury is eliminated and he would receive his payment either directly from the department or from the bank as the arrangements are evolved without having to go through inconveniences and both-erations encountered at the treasury. So far as non-banking treasuries and sub-treasuries are concerned,

* The number of banking and non-banking treasuries and sub-treasuries in the Country as on 31st March 1966, is given in Appendix 'A'. The data is based on the latest information available from the records of the Union Ministry of Finance. The figures mentioned in Appendix 'A' indicate that an overwhelming number of treasuries have already been converted into banking treasuries. In the case of sub-treasuries, however, the position is different. We may add that the figures given in Appendix 'A' are nearly four years old and during this period we may reasonably expect some more treasuries and sub-treasuries to have been converted into banking types specially with the expansion programme undertaken by the State Bank of India. Moreover, the number of non-banking sub-treasuries as mentioned in the Appendix also includes those non-banking sub-treasuries which are located at district towns and are transacting cash business for certain tehsil functions even though State Bank of India branches are available at such places. The cash business of such non-banking sub-treasuries can be taken over by the existing branches of the State Bank of India in the event of the abolition of treasuries. After making allowance for this number (i.e. the number of non-banking sub-treasuries located at district towns) from the total figure of non-banking sub-treasuries, we find that the number of non-banking sub-treasuries still to be converted into banking types is further reduced.

their number is gradually reducing with the extension of the branches of the State Bank of India to such places thereby changing the character of these treasuries from non-banking to banking type. Also, the number of transactions taking place at such non-banking treasuries and sub-treasuries and the volume of such transactions are not very big. We, however, do not propose immediate scrapping of the remaining non-banking treasuries and sub-treasuries which may continue transacting cash business for the various drawing and disbursing officers stationed in their areas till such time as the State Bank of India is in a position to extend its branches to such places. But, these non-banking treasuries and sub-treasuries may not be required to prepare the initial accounts, which should become the responsibility of the departmental officers; and arrangements may be worked out whereby these treasuries and sub-treasuries discharge only their banking functions during the transitional period.

Opportunity was also taken to study the feasibility of having only non-banking treasuries*

* Here it includes sub-treasuries also.

in the country so that the money payments and receipts of the Government are handled at the treasury itself without the citizen having to go to another office, namely the bank, for the purpose of collecting or depositing cash. It may be stated here that the monetary transactions being turned out on behalf of Government amount to huge sums, the cash equivalent of which at present is mostly handled by the banks* which have facilities for discharging this big responsibility both in terms of trained personnel and the necessary equipment. The non-banking treasuries which at present discharge payments and receipts function for the Government and also handle cash for the purpose, turn out but a very small proportion of business as compared to the total volume of transactions at the treasuries. They have, of necessity, to continue with this work of handling cash since no branch of the State Bank of India has been established at their locations. However, the view expressed to us by a good number of senior

* Reserve Bank of India, State Bank of India and its subsidiary banks.

Finance Officers favours handing over the cash work of these non-banking treasuries to the bank if the State Bank could open its branches at such places. This is considered more safe also. It may be remarked that in banks the cash is placed in the care of comparatively high paid officers and staff and the Agent in-charge of a branch is also an officer of a reasonably high status. In the event of the banking function reverting to the treasuries, we will have to consider the aspect of leaving so much cash to the care of relatively low paid officials or face their agitation for parity with the bank staff in the matter of emoluments*. We may also keep in view

The following are the scales of pay in a District Treasury of Andhra Pradesh:

| | |
|---|-------------|
| 1. District Treasury Officer (Gazetted) | Rs. 350-750 |
| 2. Asstt. Treasury Officer (") | Rs. 250-500 |
| 3. Head Accountant (Non-gazetted) | Rs. 180-320 |
| 4. Second Accountant (") | Rs. 150-250 |
| 5. Treasurer (Non-Gazetted) | Rs. 150-250 |
| 6. Upper Division Accountant (") | Rs. 140-220 |
| 7. Lower Division Accountant (") | Rs. 80-150 |
| 8. Cashier (") | Rs. 70-100 |

The following are the scales of pay for the staff in a sub-treasury in Andhra Pradesh:

| | |
|--|-------------|
| 1. Sub-treasury Officer (Non-gazetted) | Rs. 180-320 |
| 2. Upper Division Accountant (") | Rs. 140-200 |
| 3. Lower Division Accountant (") | Rs. 80-150 |
| 4. Cashier (") | Rs. 70-100 |

The position regarding the scales of pay for the treasury staff in other states is not very much different.

the aspect of economy while considering the proposal of converting all the treasuries into non-banking ones. In the present set up when a branch of the Reserve Bank or the State Bank takes up the payment and receipt function for the Government, it manages the same along with its other banking functions with

the help of its existing senior supervisory and administrative staff and the equipment it possesses. In the alternative of converting the treasuries into a sort of bank, we would have to incur expenditure in providing these treasuries with the necessary senior supervisory and administrative staff and the necessary equipment. In our opinion, therefore, it would be more economical from the national point of view if the branches of the Reserve Bank of India and the State Bank of India are utilised for transacting the payments and receipts of Government.* At places where there are no branches of the State Bank in existence and the treasuries are doing the banking work, they may however continue discharging this function till the State Bank finds it possible to extend its branch network to such places.

* The Reserve Bank of India may also evolve some arrangements whereby branches of the other nationalised banks could be utilised for payments and receipts of Government at places where no branch of the State Bank of India is functioning.

Conclusion

The essence of our recommendations is that the inconveniences experienced by the public as regards payments to and receipts from the Government cannot be perceptibly alleviated unless the intervention of the treasury is completely done away with. In fact, the treasury does not perform any function which cannot safely be transferred to other agencies. Making the departments responsible for payments and receipts as well as for the maintenance, compilation and use of accounts means separation of Audit and Accounts. It is known that the internalisation of accounting and reporting is also a pre-requisite for the introduction of Performance Budgeting. From an overall point of view, therefore, if the introduction of Performance Budgeting, separation of Audit and Accounts, mechanisation or computerisation of the Central accounting facilities go hand in hand with the abolition of the treasury system the performance of the administrative departments could be considerably improved while at the same time relieving the public of most of their inconveniences and botherations with regard to the payments to and receipts from the Government.

SECTION IIIA SUMMARY OF THIRTY-SIX CASE STUDIES
CONDUCTED AT TWELVE TREASURIESDelhi Treasury

Tis Hazari (a banking Treasury)

The citizen who brings a refund voucher or a cheque or a bill from a department, presents the same at the treasury counter where he is given a token in lieu thereof and told to collect his payment after a week from the nearby branch of the State Bank of India. He has to produce identification both at the treasury and later at the bank. In the case of pension payments, the payment is made the same day the pensioner presents his claim. The pensioner gets his payment in cash at the treasury if the amount of pension does not exceed Rs. 250/-, otherwise he has to collect his payment from the State Bank of India branch. There is an option given to the pensioners to receive their payments of pension through money orders at their own cost if the amount involved does not exceed a prescribed limit.

| S. No. | Name and other particulars of the payee interviewed. | Date of interview | Type of payment | Experience and views of the payer. |
|--------|--|-------------------|---|--|
| 1 | 2 | 3 | 4 | 5 |
| 1. | Shri Balram, came from Bulandshahr (U.P.), an uneducated person. | 14/11/1967 | To get refund of the proceeds of auctioned property -- a bicycle. | His bill was prepared by the court on 1.9.1967. He presented the same for payment at the treasury on 26-10-1967. The bill was returned to him on 23-10-67 with the objection that identification of the payee was not in the proper form. He being illiterate was in a fix, what to do. |
| 2. | Shri Amrik Singh, formerly clerk, Nawshahra Cantt. Peshawar. | 14/11/1967 | Payment of pension | Though they get the payment the same day on which they present their claims but they have, quite often, to wait from 10 a.m. to the closing time of the treasury. They preferred to receive payment at a Post Office of their choice or alternatively wanted it through money order if sent at Government's expense. |
| 3. | Smt. Dhanpatti Devi, from Rewarikheda. | | | |
| 4. | Shri Kewal Krishan, Darya Ganj, Delhi. | | | |
| 5. | Shri Indar Singh Rashtrapati Bhavan, New Delhi. | | | |

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| 6. | Sari Bishamber Lal, formerly of Government College, Rohatak, at present living in Jama Masjid area, Delhi. | 12-11-1967 | Payment of Pension | Though the pension payment is made on the same day of presenting the claim, it involves a long waiting at the treasury. He preferred to receive payment at a Post Office of his choice or alternatively through money order if sent at government cost. |
| 7. | Sari Ayudhia Prakash an uneducated person | 14-11-67 | To get refund of recovered cash, stolen from his house. | The refund voucher given to him by the court was presented at the treasury on 9-11-67. He came to receive the payment on 14-11-67 and was told to get his identification certified according to rules. He being an uneducated person was finding it difficult to manage. |
| 8. | Smt. Jag-wanti Devi Kazi Hanz, Delhi. | 14-11-67 | To get refund of rent amount deposited by her tenant @ Rs. 4/- per month. | At the treasury she was directed to get her identification authenticated by a 1st Class Magistrate. |

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| 9. | Shri Gian Sarup, a Social Worker, Hanuman Road, New Delhi. | 14-11-67 | To get payment against a cheque of Rs. 1000/- issued to him by the Delhi Admini- stration on account of 'in- centive money for Family Planning work.' | | He had earlier presented the cheque at the treasury for getting the same passed for payment. On 14-11-67 the cheque was returned to him for identification of his signatures. |
| 10. | Shri Bhola Ram, from Alwar (U.P.) | 14-11-67 | To get refund of security deposit of Rs. 15/-. | | His bill for refund of security deposit was prepared on 21-8-67 by the Asstt. Labour Commissioner New Delhi, and sent to him at his village in Alwar District of Uttar Pradesh. He was refused payment at the treasury as his identification was not attested. |

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| 11. An old pensioner came from a distance of 20 kilometers. | 16-11-57 | Pension payment of Rs. 37/- | He had reached the treasury before it opened and was hoping to be free by 3 p.m. Preferred, if the pension payment could be delivered to him from the nearest post office without any extra charge, and on due date. | |
| 12. An old pensioner, came from a distance of about 25 kilometers from a village near Okhla. | 16-11-57 | Pension payment of Rs. 25/- | He had come from a long distance and was to wait at the treasury for many hours before he could collect his pension payment. He preferred to receive it through money order at his doors, if the commission charges could be borne by the Government. He did not mind the delay of a few days which the post office would take in reaching him the money order. | |

1. A pensioner, also General Secretary of Pensioners' Association.

16-11-67

He came to the treasury in connection with Association work.

Spoke on behalf of pensioners that they would prefer any system of payment which reduces the distances being travelled by them at present to collect their pension payments.

He liked and gave his approval to the following suggestions made by us:

1. Pension payment may be sent to the pensioner through money order at government cost.
2. Pension payment may be credited to the pensioner's Saving Bank Account, opened in the nearest post office, on the due date and he could draw money on the same day or any subsequent day at his discretion.

New Delhi Treasury (a banking Treasury)
Parliament Street

65.

The citizen who brings a bill or a refund voucher from a department presents the same at the treasury counter where he is handed over a token and asked to come after a week to collect the cheque. After his bill or voucher has been passed by the treasury, he is given a cheque to be encashed at the Reserve Bank of India branch.

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| 14. Shri Bakshi Ram, an uneducated person came from Jullundur (Punjab). | 13-11-67 | To get refund of Rs. 200/- in respect of remission of fine by the Court. | At the treasury, he was asked to get his identification attested which he was finding difficult to manage. As per his statement, he had already spent about Rs. 50 to Rs. 60/- in making trips to Delhi in pursuit of his claim. He was thinking in terms of foregoing the amount. | | |

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| 15. Smt. Surjit Kaur, Gandhi Nagar, Delhi. | 13-11-67 | To get refund of sec- urity deposit. | | After two months of her applying for refund of security deposit, kept in connection with her training in nursing at the Pant Hospital, she was given a refund voucher by the hospital on 6-11-67, which she presented at the treasury on the same day. She was told to collect the cheque on 13-11-67, on which day she came and found that her voucher had not come to the counter duly passed. She was asked to come again after 3/4 days. |
| Shri Kirpal Singh, formerly a student of Okhla Technical School, New Delhi, now studying at Government Polytechnic, Kashmere Gate, Delhi. | 13-11-67 | To obtain refund of sec- urity deposit. | | He had presented the refund voucher, obtained from the School Office, at the treasury on 2-9-67. He was told to collect his cheque on 9.9.67. When he came to collect the cheque he was told that his refund voucher had not yet been passed. He again came on 16-9.67 and got the same reply. He thought that it was no use coming again and again and chose to come after 2 months on 13-11-67. This time he got the cheque after waiting at the counter for about two hours. |

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| 17. | Shri Gurcharan, Singh came from West Patel Nagar, New Delhi, a supplier of sheep blood to Wellington Hospital, New Delhi. | 13-11-67 | To receive payment for to the treasury and was getting supply of his payments in 3/4 days' time. sheep blood. | |
| 18. | A representative of Imperial Ice Factory, Punchkuin Road, New Delhi. | 13-11-67 | Payment on account of supply of ice to Birwin Hospital. | He had presented his bill at the treasury more than two months back. After that he had visited the treasury several times and on each occasion was told that no advice regarding the payment to him had been received from the office concerned. |
| 19. | The father of a student of Pant Institute, Okhla, an employee of a Government Office. | 15-11-67 | To let refund of security deposit of Rs. 15/-. | His son had completed his studies at the Pant Institute Okhla and obtained a refund voucher for Rs. 15/- in connection with the withdrawal of security deposit kept with the Institute. He had presented the refund voucher at the treasury 8 days back and on |

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14-11-67 came to collect the cheque. He was told that his refund voucher had not come back to the counter. He came again the next day on 15-11-67 and got the same reply. He therefore found an acquaintance and tried to know through him as to where the matter stood. He came to know that an objection had been raised on the refund voucher that his son's name written as Umesh Kumar had the first and the second words written in different shades of ink and therefore he had to take back the voucher to the Institute for the necessary rectification. He said that he had already undertaken a number of trips to the Institute to secure the refund voucher and also had come to the treasury thrice. He was wondering as to how many more trips he would have to undertake to the various organisations before he could get his small payment of Rs. 15/-.

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| 1 | 2 | 3 | 4 | 5 |
| 20. A retired Government official. | 15-11-67 | To get payment of about Rs. 3500/- as an advance and also final payment from his provident fund. | | He had applied for a loan of about Rs. 3500/- from his Provident Fund in connection with the celebration of his daughter's marriage. The loan was sanctioned and the bill presented at the treasury on 2-11-67. The marriage of his daughter had already been solemnized before he could actually get the loan money. He had however kept some payments pending, to be cleared with the loan money. Not being able to get the cheque from the treasury counter even on 15-11-67, he met the Treasury Officer who showed sympathy in his case and instructed his staff to expedite the matter. He was waiting to know the outcome when we met him. |

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21. A representative of an Airport Health Officer. 22-11-67 by acquire about the payment to the Doctor for overtime work.

A payment from government was due to the Doctor for overtime work, which had been sanctioned, by the competent authority sometimes in the last week of October, 1967. The bill could not be presented at the treasury as they do not accept the same on the last few days of a month. It was ultimately presented at the treasury counter on 7-11-67, and a token received in lieu thereof. When the representative of the Doctor enquired about the bill, on 22-11-67, he was told that the same had not come back to the counter and the person was to come again on some other day to find out about the passing of the bill.

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New Delhi Treasury (a banking Treasury)
Man Singh Road

The procedure for payment is the same as at New Delhi Treasury, Parliament Street, except that payments upto Rs. 10/- are made in cash at the treasury without the payer having to go to the Reserve Bank of India for a small collection. On the day we visited the treasury, no citizen had come to receive payment and we were told that direct dealings of this treasury with the public were few in number, about one or two cases in a month.

District Treasury, (a banking treasury)
Gurgaon (Haryana)

The procedure for payment is, by and large, the same as at other banking treasuries. The normal time for passing a bill is three days. The distance between this treasury and the State Bank branch is considerable.

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| 22. | Shri Bahari from 15-11-67 an adjoining village. | | | |
| | | to receive payment of Rs. 2,500/- towards com- pensation for the acquisition of his land for road construction. | | He came to the treasury on 15-11-67 and the payment was authorised by the treasury officer the same day on the identification of an Advocate whom the payee knew personally. He was apprehending some difficulties at the bank as the bank insists on iden- tification from a person known to them or having account with them. |
| 23. | Shri Nand Kishore, 15-11-67 a partner in Kishore Bhatta & Co (Bricklin), Palwal (Dist. Gurgaon). | Refund of the extra amount of Rs. 400/- deposited to- wards obtaining a licence from the Distt. Road & Civil Supplies Controller. | | The refund voucher was obtained from the department on 14-11-67. He came to the treasury on 15-11-67, and the payment was authorised by the Treasury Officer on the identification of an advocate whom the payee knew personally. According to him the advocate would have charged at least Rs. 5/- for the purpose of identification from someone else not known to him. He thought that payments directly by the departments would save the public of the inconveniences and botherat- ions they are at present put to. |

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District Treasury (a banking treasury)
Rohtak (Haryana)

The p.w. first gets a refund voucher or a cheque from the department, presents the same at the treasury and after it is passed there, he goes to the bank to collect the payment.

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| 24. Sri Rameshwar Das, came from Sonapat, an uneducated person. | 20-11-67 | To receive payment of rent amounting to Rs. 127.50 due from the Food & Civil Supplies Department to whom he had let out his house at Sonapat for use as a store. | 5 | 5 |
| <p>Sometimes in the second week of September 1967, he got a document from the local branch of the Food & Civil Supplies Department at Sonapat directing him to collect a cheque from their District Office at Rohtak for the accumulated rent arrears due to him. He came to district headquarters at Rohtak after 4/5 days and collected the cheque which he presented at the treasury at Rohtak. On his first visit, he was not attended to by the counter clerk till the closing time of the treasury house at and therefore had to return to Sonapat. Somebody at Sonapat advised him to get his cheque encashed through some other person's account with a bank. He therefore, endorsed the cheque in favour of</p> | | | | |

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the party known to him and who had an account with the State Bank of India. The second party further endorsed the cheque to their bankers. The cheque came back with the remark from the treasury at Rohtak that the second endorsement on the cheque was not acceptable. The cheque therefore was handed over to him uncashed and in this process two months elapsed. He therefore came to the Rohtak treasury again to make enquiries as to what could be done. He was advised by the Treasury staff that he had to get the Bank stamps markings on the cheque cancelled and duly signed from both the branches of the State Bank at Sonapat and at Rohtak before the cheque could be processed in the treasury. He therefore came back to Sonapat to have the necessary formality completed at the State Bank of India, Sonapat, and thereafter travelled again to Rohtak to get the same done from the State Bank of India, Rohtak. Thereafter, he again presented the

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cheque at the Rohtak treasury and was told to bring somebody acceptable to the treasury, to identify him. He told us that he had to pay a few of Rs. 5/- to an Advocate to get the necessary identification. After completing all the formalities he got the cheque authorised for payment. He was then to go to the State Bank of India branch at Rohtak to get the cheque encashed, where again he would be required to produce identification from a person acceptable to the bank. As per his statement he had already spent about Rs. 40/- in this process of obtaining his payment.

Sonepat sub-treasury (a barking sub-treasury)
Under the Rohtak Treasury.

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| 25. | Shri Suraj Mal, an uneducated villager from Phungan, a village at a distance of about 23 kilometres from Sonepat. | 21-11-67 | Refund of the proceeds of auctioned property amounting to Rs. 250.12. | About 3 quintals and 37 kilogrammes of grain belonging to Shri Suraj Mal was seized by the Food & Civil Supply Department and later auctioned for Rs. 256.12 and the amount deposited in the sub-treasury at Sonepat on 18-10-66. Shri Suraj Mal filed a suit in a court of Law against the seizure of his lump of grain by the Food & Civil Supply Department. He won the case on 4-1-67. The court issued an order on 14-11-67 for the refund of Rs. 256.12 to him. He came to the sub-treasury Sonepat on 15-11-67 with a refund voucher for getting the payment. The sub-treasury raised an objection to the effect that the deposit was not traceable in their records against the particulars of serial number and date as mentioned in the refund voucher. Shri Suraj Mal therefore had to go to Rohtak, the District Head-quarters |

at a distance of about 60 kilometres, to get the necessary information recorded by the District Food & Civil Supply Office. This office issued instructions on the back of the same refund voucher to the Inspector, Food & Civil Supply, Sonapat. Shri Suraj Mal thereafter brought the refund voucher to the Inspector, Food & Civil Supply, Sonapat who on 21-11-67 recorded a certificate on the back of the refund voucher to the effect that the amount could be refunded to Shri Suraj Mal. The same day Shri Suraj Mal presented the refund voucher at the sub-treasury where he was told that the Inspector's certificate was not acceptable at the sub-treasury and therefore he had to go to Rohatak to get the refund voucher signed from the District Food and Civil Supply Controller. The channels remaining to be gone through by Shri Suraj Mal after getting the refund voucher signed from the District Food & Civil Supply Controller at Rohatak were to bring back the voucher to the sub-treasury, Sonapat

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for verification of the credit figure and thereafter to take it back to the treasury at Rohatak for similar verification at their end, after which only he could obtain payment from either State Bank, Rohatak with a payment order from Rohatak treasury or from State Bank, Sonapat after obtaining payment order from the sub-treasury at Sonapat. Also, before receiving payment order from the District Treasury or the sub-treasury he was to produce identification to the satisfaction of the authorities. Again at the State Bank of India he was to satisfy them as regards his identification before he could actually get the money.

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| 26. | A representative of M/s Ram Kumar Oil Mills, Sonapat. | 21-11-67 | Refund of purchase tax amounting to Rs. 2797.46. | <p>Out of ignorance the firm deposited Rs. 2797.46 towards purchase tax in connection with some of their transactions. On learning that they had wrongly paid the amount, the firm moved the District Excise and Taxation Officer who admitted their claim on 26-8-67, and after a month issued a refund voucher in favour of the firm. Soon after, the firm presented the refund voucher at the sub-treasury, Sonapat who verified the credit figures mentioned therein and handed it back to the firm. The firm gave the voucher to their Banker, the Punjab National Bank branch at Sonapat, for realizing the amount. The Punjab National Bank sent the voucher to the State Bank of India branch at Sonapat who returned the same after a week with the remark that the voucher needed to be verified also by the Treasury Officer, Rohtak. The Punjab National Bank thereupon sent the voucher within 3/4 days to the Treasury Officer, Rohtak, who returned it back after 15 days raising the objection that the credit figure as mentioned in the voucher and verified</p> |

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by the Sub-treasury did not tally with the figure in his record. It took the firm another ten to fifteen days to get the credit figure corrected from the sub-treasury and to again give the same to the Punjab National Bank, Sonapat for sending it on to the Treasury Officer, Rohtak. The voucher again came back from the Treasury Officer, Rohtak after 15 days, who declared the same as mutilated necessitating procuring a fresh refund voucher from the District Excise and Taxation Officer, Rohtak, and going through all the procedures and formalities once again. The representative of the firm secured a fresh refund voucher from the District Excise and Taxation Officer, Rohtak after a week and on 21-11-67 presented the same at the sub-treasury Sonapat for verification. At the sub-treasury, the representative of the firm was told that the refund voucher could not be passed since it was a duplicate one and the word 'duplicate' was not so written on it by the District Excise and Taxation Officer,

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Rohtak and also it was necessary to obtain and attach with the voucher a certificate from the Treasury Officer, Rohtak to the effect that no payment had been made so far against the refund voucher or if the firm had not lost or thrown away the earlier mutilated refund voucher they could attach the same with the new one. The representative of the firm was then to go to Rohtak to settle the objections of the Sonapat Sub-treasury and then to come back to Sonapat to obtain the necessary verification of the credit figure before presenting at the same to the Treasury. It Rohtak, for their verification. It may be stated that everytime the voucher came back to the firm uncashed, the bank charged its commission from the firm.

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District Treasury (a barking treasury
Meerut, (Uttar Pradesh)

The payment procedures are, by and large, the same as at other banking treasuries. The normal period prescribed for passing a bill is three days.

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| 27. A teacher from Navjivan Inter College, Farukh Nagar (Uttar Pradesh). | 27-11-67 | Payment of remuneration in connection with Board Examination. | | | The teacher had come to the Treasury to collect three bills for the amounts of Rs. 46.20, Rs. 59.75 and Rs. 625/-, pertaining to payments of remuneration to the teachers of the College in connection with invigilation work and marking of answer books, for which the Board of High School and Intermediate Education had admitted their claims and sanctioned the amounts. The teacher had come some four days ago and presented the bill at the treasury and was told to come on 27th November to collect the same. On his second visit to the treasury, he could however collect only two bills and the |

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third was not traceable. He was told that since the dealing clerk had not come, he (the teacher) would have to come again to find out about the remaining bill. It may be stated that after getting the bills passed at the Meerut treasury and endorsed to the sub-treasury at Chaziabad, the teacher was to present the bills at the sub-treasury, Chaziabad for obtaining their authorisation before receiving the money from the State Bank of India branch at Chaziabad.

He got a decree in his favour, for the payment of Rs. 115/-, from Judge, Small Cause Court, Meerut, and presented the repayment order at the treasury on 27-11-67. He was asked to produce identification which he managed from an Advocate. He was told to come after a couple of days to collect the payment order. After obtaining the payment order from the treasury he would have to present the same at the State Bank with a proper identification for receiving the amount.

Payment of
Rs. 115/- in
execution of
a court
decree.

27-11-67

8. Shri Dev Alok
Bhariwaj

29. A representative 27-11-67 To get
of a Pleader. refund of
Rs. 500/- on
behalf of
his client.

The client of the Pleader was sentenced by the lower court to six months' imprisonment and a fine of Rs. 1500/-. On an appeal to the District Court his sentence was cancelled but the fine retained. On a further appeal to the High Court the fine imposed on him was reduced to Rs. 1000/-, on 29-9-66. He therefore preferred his claim for getting back Rs. 500/- and obtained a refund voucher from the Sessions Judge, on 8-11-67. Soon after that the refund voucher was presented at the Meerut treasury for obtaining payment order. After a few days when the representative of the Pleader came to the treasury to collect the voucher, he got it back with the objection that the credit mentioned therein was not traceable in the treasury records on the given particulars. The voucher was resubmitted after meeting the objection but again returned by the treasury after a few days with the objection that the amount of refund recorded in words, only read as, "Rupees Five Hundred only, only"

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ending with the word 'only' written twice, and therefore had got to be corrected by the issuing authority. This objection was also got cleared and the voucher resubmitted. This time it was again returned with the objection that one additional signature was required. This objection was also met and the voucher resubmitted. The voucher was however again returned by the treasury on 27-11-67 with the remark: "the objection still stands".

Chaziabai sub-treasury (a banking sub-treasury)
(Under the Meerut Treasury).

30. An Advocate 24-11-67 To get payment of his fees amounting to Rs. 288/-.

He was getting his claims signed from the Sub-Divisional Magistrate from time to time in respect of the fees due to him for work done for the Government and on 10-11-67 he got a consolidated bill for Rs. 288/- countersigned by the Additional District Magistrate, Meerut. The bill after proper sanction was presented at the Meerut Treasury where

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it was passed and signed by the Treasury Officer on 22-11-67, and endorsed to the Sub-treasury, Ghaziabad. It was presented at the sub-treasury Ghaziabad, on 24-11-67, where it was passed the same day. The bill was thereafter taken to the Ghaziabad State Bank branch for receiving payment. At the bank counter it was detected that the dealing clerk in the sub-treasury had, through mistake, written payment order for Rs. 228/- instead of Rs. 288/-. The payee therefore had to come back from the bank to the sub-treasury to get the mistake rectified. This was done, but by that time there was hardly any time left for going again to the bank. to get the payment on that day.

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| 31. | The Headmaster, Sarvodaya Vidya Mandir, Junior High School Fazalgarh. | 24-11-67 | To get pay- ment of Rs. 110-16 sanctioned as grant to the School by the Govern- ment for harijan welfare. | <p>A grant of Rs. 110-16/- was sanctioned to the School by the District Harijan and Social Welfare Officer, on 22-9-67 for the purpose of harijan welfare.</p> <p>A teacher from the School had visited Meerut twice in connection with getting the payment sanctioned and the same passed by the Treasury at Meerut. The Treasury Officer, Meerut had signed the bill on 8-11-67 and endorsed it to the sub-treasury, Ghaziabad where it was presented on 24-11-67. The bill was passed at the sub-treasury the same day and given back to the head-master who had especially come to Ghaziabad to collect payment. From the sub-treasury he was to go to the State Bank branch to get the money. It may be stated that Meerut Treasury is about 24 kilometers from Fazalgarh (where the school is situated) and the Ghaziabad sub-treasury at a distance of about 36 kilometres from Fazalgarh.</p> |

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| 32. Kumari Karan Bala, a student. | 24-11-67 | Refund of examination fee amounting to Rs. 24/-. | | |
| <p>She had deposited Rs. 51/- on 13-10-66, towards examination fee of Rs. 26/- and late fee of Rs. 25/- for appearing at the examination, to be held in 1967, of the Board of High School and Intermediate Education, Allahabad. Her application for admission to the examination was rejected and she was so informed sometimes in June 1967. She therefore claimed refund of the examination fee deposited by her. On 23-11-67 she received a refund voucher for Rs. 24/- from Accounts Officer, Board of High School and Intermediate Education, Allahabad (Rs. 24/- out of Rs. 51/- as the late fee of Rs. 25/- was not refundable and Rs. 2/- were deducted as their charges). On 24-11-67 the refund voucher was presented at the sub-treasury Ghaziabad for getting it passed for payment. She was told that as the credit of Rs. 51/-, to be verified, related to a deposit made more than a year back, it would take a few days for the sub-treasury to process the refund voucher and therefore she should come some days later.</p> | | | | |

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It may be stated that after verification of the credit figure by the Ghaziabad sub-treasury, the refund voucher would have to be taken to the Meerut Treasury for their verification, after which only the payee could obtain payment order either from Meerut treasury for encashment of the refund voucher at the State Bank branch Meerut or from the sub-treasury Ghaziabad for encashment of the same at the State Bank of India, Ghaziabad. In the later case the Meerut Treasury after the necessary verification should endorse the refund voucher to the sub-treasury Ghaziabad where it has to be passed before authorising payment at the Ghaziabad State Bank branch. It may also be stated that before receiving the refund voucher passed for payment from either the treasury at Meerut or the sub-treasury at Ghaziabad, the payee would have to produce proper identification. Again for receiving payment at the bank counter, the payee shall be required to produce identification to the satisfaction of the bank.

District Treasury, Hyderabad (Andhra Pradesh)
(a banking Treasury)

The procedures for payment are, by and large, the same as at other banking treasuries.

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| 33. Shri Narasimha Swamy, an uneducated person. | 22-1-68 | To receive payment for supplies made to a Government Department. | He had supplied marking stones to the Assistant Director, Town Survey Unit, Hyderabad. He brought a bill for Rs. 911/- from the departmental office, situated about two miles away and presented the same at the treasury counter. He was supposed to come again to the treasury after 3-4 days to find out about the passing of his bill. If his bill is found complete in all respects, and he receives the payment order from the treasury, he would then have to go to the Bank, situated about 2½ miles away, to collect the cash. As per the procedures, a trip from the departmental office to the treasury for presenting the bill, another after three-four days again to the treasury for collecting the bill, | |

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and a third to the bank for getting the cash are the minimum number of trips a payee has to undertake while receiving money from the Government. There are, however, chances of his having to undertake more trips if anything would be wanting in the bill, requiring rectification at some end.

34. A representative 22-1-68 Payment for
of M/s Bharath Auto having car-
Works, Hyderabad. ried out re-
pair to a motor
vehicle.

M/s Bharath Auto Works, Hyderabad, had repaired a motor vehicle belonging to the Panchayat Samiti, Hayatnagar, and submitted their bill for Rs. 164.95 on the 27th December 1967. They had sent their representative to Hayatnagar, who brought a cheque for the said amount on the 19th January 1968. This cheque required to be presented at the treasury for receiving payment order* before it could be encashed at the bank. The cheque was accordingly brought to the treasury by the firm's representative on the 22nd January 1968. It may be noted here that the distance between Hayatnagar and the treasury is about 20 kilometres. After receiving payment order from the treasury, the representative would have to take this

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cheque to the Bank for collecting the cash. It may further be stated that the Bank is situated about 4 kilometres away from the Hyderabad District Treasury. This whole process of receiving money would therefore involve, apart from expense on travelling, a lot of wastage of time in going through the various formalities.

The Hyderabad District Treasury maintains a Deposit Account for the Panchayat Samiti, Hayatnagar and the cheques issued by the Panchayat Samiti are required to be presented at the treasury whose payment order is necessary before they could be encashed at the bank.

Ibrahimpatam Sub-Treasury (a non-banking sub-treasury)
(Under the Hyderabad Treasury)

The sub-treasury being a non-banking one, the payment of cash is transacted at the treasury itself without the payee having to go to any bank for the purpose. However, the other formalities and procedures for payment are, by and large, the same as observed at the banking treasuries.

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|-----|---|---------|--|---|
| 35. | Shri Ramavath Somla and twelve other Banjaras' from Nalvelli village. | 24-1-68 | To collect payment of relief assistance. | <p>Shri Ramavath Somla and twelve other Banjaras' had come from Nalvelli Village, about 30 kilometres away, to collect the first instalment of Rs. 250/- for each of them, towards relief assistance granted by the District Social Welfare Office. Some eight months earlier fire had broken out in their village, in which their dwellings were destroyed. The District Social Welfare Office decided to give to each one of the fire victims a monetary assistance of Rs. 500/- for rebuilding their houses. An Inspector from the Office visited their village and informed them to collect the first instalment of Rs. 250/- from the Ibrahimpatam sub-treasury. They all left their village early in the morning on the 23rd January 1968 and walked some three kilometres to catch a bus for Ibrahimpatam. They reached the sub-treasury a little after its closing time and were told that the payment could not be made on that day. They however had to waste one complete day in this process and also each one of them spent about Rs. 2/- in undertaking the journey</p> |

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to the sub-treasury. The next day on the 24th January, 1968, they left their village at 6 a.m. and reached the sub-treasury well before its closing time. This however meant again an expenditure of Rs. 2/- for each of them and spending one more day in collecting the payment. We met them at 1 p.m. when their bill was being processed at the sub-treasury. We were told that if the bill should be found complete in all respects, the 'banjaras' would get their payment (by the closing time which was nearing). The sub-treasury being a non-banking one, the banjaras would get cash from the sub-treasury itself.

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Vikarabad Sub-Treasury (a banking sub-treasury)
(Under the Hyderabad Treasury)

We interviewed the Sub-treasury Officer and the other staff at this sub-treasury. Since no citizen came to the

treasury counter in connection with any payment during our visit there, we could not study any specific case.

District Treasury, (A banking Treasury)
Nalgonda (Andhra Pradesh.)

The citizen has to go through the various formalities and procedures, as described earlier in the Second Section of this Report, for obtaining payment order from the treasury and to encash it at the bank.

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6. Smt. Jamanulnisa 23-1-68
Begum, a semi-
literate lady.

To get pay-
ment of
arrears of
rent due to
her from a
Government
Department

Smt. Jamanulnisa Begum got her claim for Rs. 472.50 sanctioned from the District Agriculture Officer, in respect of arrears of rent due to her for the period from 22-6-67 to 31-12-67 @ Rs. 75/- p.m. for her godown rented out to the Agriculture Department for plant protection. She presented the bill, obtained from the Department on 22-1-68, at the treasury counter on 23-1-68 for payment order. She was supposed to collect her bill after three days for encashing the same at the State Bank of India branch. At our request a preliminary examination of the bill was conducted and it was found that out of a number of places in the bill where the Agriculture Officer had to put his signatures, one place was left unsigned, perhaps through oversight. This means that when the payee comes to the treasury after three days, she would get her bill back unpassed and would have to go again to the District Agriculture Officer for securing the necessary rectification. Thereafter the payee would have

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to present the bill again at the treasury
and go through its formalities and
procedures over again. It is only after
the bill is found complete in all
respects and to the satisfaction of
the treasury that a payment order
would be recorded on it and the
payee could proceed to the bank for
collecting the cash.

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